



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Financial Audit

Including the Provisions of the Single Audit Act

*Department of Labor and Economic Growth and
October 1, 2003 through September 30, 2004*

*Michigan Department of Career Development
October 1, 2002 through September 30, 2003*

Report Number:
64-100-05

Released:
June 2005

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Schedules:

Auditor's Report Issued

We issued an unqualified opinion on the Department of Labor and Economic Growth's (DLEG's) and the Michigan Department of Career Development's (MDCD's) financial schedules.

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Internal Control Over Financial Reporting

We did not identify any material weaknesses in internal control over financial reporting. However, we did identify reportable conditions (Findings 1 through 3).

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Noncompliance or Other Matters Material to the Financial Schedules

We did not identify any instances of noncompliance or other matters applicable to the financial schedules that are required to be reported under *Government Auditing Standards*. However, we did identify a reportable condition (Finding 4).

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 15 programs as major programs and issued 15 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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Internal Control Over Major Programs

We did not identify any material weaknesses in internal control over major programs. However, we did identify reportable conditions (Findings 5 through 11).

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Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 5 through 11).

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Systems of Accounting and Internal Control:

We determined that DLEG and MDCD were in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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Background:

On October 2, 2003, the Governor issued Executive Order No. 2003-18, which renamed the Department of Consumer and Industry Services as the Department of

Labor and Economic Growth (DLEG). The Executive Order also transferred programs and administrative functions from MDCD to DLEG, transferred various federal programs from DLEG to the Department of Community Health and the Department of Human Services (formerly known as the Family Independence Agency), and transferred programs from the Department of Human Services to DLEG. Executive Order No. 2003-18 became effective December 7, 2003.

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We audited the following programs as major programs:

<i>CFDA Number</i>	<i>Program or Cluster Title</i>	<i>Compliance Opinion</i>
10.561	State Administrative Matching Grants for Food Stamp Program	Unqualified
17.207, 17.801, 17.804	Employment Service Cluster	Unqualified
17.258, 17.259, 17.260	Workforce Investment Act (WIA) Cluster	Unqualified
17.225	Unemployment Insurance (Reed Act Distribution)	Unqualified
17.245	Trade Adjustment Assistance - Workers	Unqualified
17.253	Welfare-to-Work Grants to States and Localities	Unqualified
17.503	Occupational Safety and Health - State Program	Unqualified
84.007 and 84.063	Student Financial Assistance Cluster	Unqualified
84.002	Adult Education - State Grant Program	Unqualified
84.048	Vocational Education - Basic Grants to States	Unqualified
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Unqualified
84.243	Tech-Prep Education	Unqualified
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Unqualified
93.558	Temporary Assistance for Needy Families	Unqualified
94.006	AmeriCorps	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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